



City of Culver City

Mike Balkman Council
Chambers
9770 Culver Blvd.
Culver City, CA 90232

Staff Report

File #: 20-845, **Version:** 1

Item #: C-6.

CC - Authorization to Submit Interest Letter to the South Coast Air Quality Management District (SCAQMD) for a Grant Application to Purchase Electric Refuse Trucks.

Meeting Date: March 18, 2020

Contact Person/Dept: Rolando Cruz/Transportation Department

Phone Number: (310) 253-6500

Fiscal Impact: Yes ☒ No ☐

General Fund: Yes ☐ No ☒

Public Hearing: ☐ **Action Item:** ☐ **Attachments:** ☐

Commission Action Required: Yes ☐ No ☒ **Date:**

Public Notification: (E-Mail) Meetings and Agendas - City Council (03/11/20, 03/16/20)

Department Approval: Rolando Cruz, Chief Transportation Officer (03/09/20); Charles Herbertson, Public Works Director (03/09/20)

RECOMMENDATION

Staff recommends the City Council authorize the submittal of interest letter to the South Coast Air Quality Management District (SCAQMD) for a grant application to purchase electric refuse trucks.

BACKGROUND/DISCUSSION

The United States Environmental Protection Agency (EPA) Office of Air Quality Planning & Standards is soliciting applications from eligible entities to compete for financial assistance through the Targeted Airshed Grant Program. This program will assist local, state, and/or tribal air pollution control agencies to develop plans and conduct projects to reduce air pollution in nonattainment areas that EPA determines are the top five most polluted areas relative to ozone, annual average fine particulate matter (PM2.5), or 24-hour PM2.5 National Ambient Air Quality Standards. The overall goal of the Targeted Airshed Grant Program is to reduce air pollution in the nation's areas with the highest levels of ozone and PM2.5 ambient air concentrations. The total estimated funding for this competitive opportunity is approximately \$106.5 million. EPA anticipates awarding approximately 8 - 15 assistance agreements from this announcement, subject to availability of funds, the quality of

applications received and other applicable considerations.

As Los Angeles is one of the top five most polluted areas relative to ozone, the South Coast Air Quality Management District plans to submit an application for this grant. The SCAQMD is seeking to partner with two cities and two private agencies for the production and implementation of twenty electric refuse vehicles. Each partner is being asked to commit to five vehicles in the next five years and contribute \$100,000 towards the bodies of each truck as well as the required infrastructure. The grant will be for \$500,000 more per vehicle to include the chassis and costs for the installation of a battery electric propulsion system on each truck in the production line of the refuse truck builder. The propulsion systems are designed by Transpower, a division of Meritor, Incorporated who has successfully implemented several electric refuse vehicles and is now ready for Phase III of this vehicle.

Culver City, along with the City of Los Angeles has been identified as a potential partner and, if interested in pursuing the grant opportunity, must submit a letter of interest to the SCAQMD by March 17, 2020 to allow the SCAQMD to meet the federal deadline of March 27, 2020. Culver City has already visited Transpower in Escondido, California and has been able to test drive the vehicle, and while much remains to be learned about this technology, Culver City is committed to do that through a trial prototype electric refuse truck.

Should the City Council approve the submission of a letter of interest, staff will immediately work on plans to prepare for an expansion electric refuse side loader vehicle anticipated delivery in early 2021 and four replacement electric refuse vehicles in 2025. The prototype expansion vehicle will allow staff to fully vet an electric vehicle in our service before committing to replace proven operating systems. Staff will also commit to working with a consultant to address known challenges such as a) infrastructure and space limitation in City yards, b) route modeling to understand the impact it will have on our daily service, and c) rate modeling to understand the difference in fuel costs. Staff anticipates the reduced maintenance costs will offset an anticipated increase in electricity costs.

FISCAL ANALYSIS

Should the SCAQMD be awarded Targeted Airshed Grant funds, the City would incur capital costs of \$100,000 for each truck body as is required by the grant. A standard CNG side loader refuse truck is \$350,000. Should the City be able to replace five side loaders with electric vehicles at a total cost for \$500,000 versus \$1.75 million, the City could realize a definite cost savings. To date, the Equipment Replacement Fund has accumulated \$1M in funds for the replacement of the five side loader refuse trucks. This funding was contributed on an annual basis from the Refuse Fund. If the proposed grant is awarded, there are sufficient funds to cover the \$500,000 needed to replace all five trucks. Staff will ensure the proposed FY2020/2021 budget will reflect these costs. Additionally, the Transportation Department will be reconciling the fund balance of the Equipment Replacement Fund this year and will complete a vehicle utilization analysis in FY2020/2021.

Public Works and the Transportation Departments would also like to conduct an independent study to address the known challenges of infrastructure, route modeling, and rate modeling as a part of the purchase of the electric vehicles. Staff is estimating the costs for a consultant to do this at \$150,000, based on previous experience and quotes for bus electrification. As this is part of the larger move

towards electrification of the City's fleet, staff recommends this cost be included and capitalized as a part of the purchase of the refuse trucks and it will be included in the Equipment Replacement Fund's FY2020/2021 budget.

Finally, the City will incur a known small operating increase to pay for cellular service to the bus to extract operating and emission performance data on a real-time basis to share with both Transpower and SCAQMD - a requirement of the grants. The annual budget is estimated to be less than \$1,000, which will be included in the Operating budget of Public Works in future fiscal years.

ATTACHMENTS

None.

MOTION

That the City Council:

1. Authorize the submittal of interest letter to the South Coast Air Quality Management District (SCAQMD) for a grant application to purchase electric refuse trucks; and
2. Authorize the City Manager to execute such documents on behalf of the City.